

Senate Bill No. 1164

CHAPTER 131

An act to amend Section 678.3 of the Insurance Code, relating to insurance.

[Approved by Governor July 13, 2012. Filed with
Secretary of State July 13, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1164, Emmerson. Insurance.

Existing law provides, only until January 1, 2013, that an insurer issuing professional liability insurance policies to health care providers is not liable for statements made in any of specified communications, including a written notice of nonrenewal or evidence submitted in a court proceeding or informal inquiry in which nonrenewal is an issue, unless the statement was made in bad faith.

This bill would extend the operative date of that provision until January 1, 2016.

The people of the State of California do enact as follows:

SECTION 1. Section 678.3 of the Insurance Code is amended to read:

678.3. (a) There shall be no liability on the part of, and no cause of action of any nature shall arise against, any insurer that issues professional liability insurance policies to health care providers or its authorized representatives, agents, or employees, or any licensed insurance agent or broker, for any statement made, unless shown to have been made in bad faith, by any of them in any of the following:

(1) A written notice of nonrenewal, or any other oral or written communication specifying the reasons for nonrenewal of a policy issued to a health care provider.

(2) Any communication providing information pertaining to the nonrenewal.

(3) Evidence submitted at any court proceeding or informal inquiry in which the nonrenewal is an issue.

(b) This section shall apply only to nonrenewals for which written notice is provided by the insurer on or after January 1, 2006.

(c) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

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